January 11, 2016

Name
Street address
City, State, Zip

Notice of Data Breach

What happened?

Fighting tax-related identity theft is a high priority for TaxAct. We have been working diligently with the IRS, state regulators and other tax software providers to identify new security measures we can use to deter such fraudulent activity. As part of that ongoing process, we recently discovered suspicious activity related to your TaxAct account.

We have concluded that an unauthorized third party accessed your TaxAct account between November 10 and December 4, 2015. We have no evidence that any TaxAct system has been compromised and believe the third party used username and password combinations obtained from sources outside of our own system. In order to stop this unauthorized access, we have temporarily disabled your account.

What information was involved?

In addition to your username and password, we have reviewed our website logs for account activity after this attempted access, and found that the tax return(s) stored in your account may have been opened or printed. These documents may contain your name and Social Security number, and may also contain your address, driver's license number, and bank account information.

What are we doing?

We have investigated the incident and taken the necessary steps to prevent this unauthorized access from recurring as well as mitigate its effect on you.

To help ensure you are protected in the future, we are offering you free credit monitoring and restoration services through ID Experts®. ID Experts' MyIDCare includes 12 months of credit monitoring, a $1,000,000 insurance reimbursement policy, exclusive educational materials and complete access to its fraud resolution representatives. With this protection, ID Experts will help you resolve issues if your identity is compromised. We encourage you to contact ID Experts with any questions and to enroll in the free services by calling 877-276-7335 or going to www.myidcare.com/taxactinfo . You will need to reference the following access code when calling or enrolling on the website, so please do not discard this letter. **Your access code is: [Enrollment code].** ID Experts is available Monday through Friday from 6 am - 6 pm Pacific Time. Please note the deadline to enroll is April 18, 2016.

What you can do

To protect your TaxAct account and the information therein:

1. Go to www.taxact.com. Click on the sign in button. When you enter your user name and password, the system will identify that your account has been disabled. It will then walk you through a process to verify your identity.
2. Once you access your account, click on the "My Info" tile to verify your personal information.
3. Go back to My Account and select the "My Preferences" tile. Make sure your email address is correct.
4. Go back to My Account again. Click on the "My taxes" tab. Select your return, navigate to the "Filing" step and verify your bank account information.
5. If you find that any of this information has been changed without your knowledge, please update it accordingly.

In addition, to prevent unauthorized access to your other online accounts (those separate from any TaxAct account(s)), you should immediately change your password for any other service where you use the same username and password.

We also strongly recommend that you obtain an Identity Protection Pin (IP PIN) from the IRS. This is a unique pin assigned you which would be required to file your tax return. Further, it will ensure that someone else cannot file a return with your social security number without the IP PIN. You can obtain this pin when the IRS begins offering them, estimated to be in late January, by going to https://www.irs.gov/Individuals/Get-An-Identity-Protection-PIN.

We encourage you to monitor your credit reports for fraudulent transactions or accounts. You may obtain a free copy of your credit report maintained by each of the three credit reporting agencies by visiting www.annualcreditreport.com or by calling toll-free 877-322-8228. Review the reports carefully, and if you find anything you do not understand or that is incorrect, contact the appropriate credit reporting agency. If you suspect fraudulent activity, you can contact your local law enforcement agency, the attorney general of your state, and the Federal Trade Commission.

You may also consider contacting the credit reporting agencies directly if you wish to put in place a fraud alert or security freeze. A fraud alert will notify any merchant checking your credit history that you may be the victim of identity theft and that the merchant should take additional measures to verify the application. Contacting any one of the three agencies will place an alert on your file at all three. A security freeze restricts all creditor access to your account, but might also delay any requests you might make for new accounts. Inquire with the credit reporting agencies for their specific procedures regarding security freezes.

- Equifax: 1-800-525-6285; www.equifax.com; P.O. Box 740241, Atlanta, GA 30374-0241

- Experian: 1-888-EXPERIAN (391-3742); www.experian.com; Fraud Victim Assistance Division, P.O. Box 9532, Allen, TX 75013
- TransUnion: 1-800-680-7289; www.transunion.com; Fraud Victim Assistance Division, P.O. Box 6790, Fullerton, CA 92834-6790

The Federal Trade Commission also provides information about how to avoid identity theft and what to do if you suspect your identity has been stolen.

The Federal Trade Commission
Identity Theft Clearinghouse
600 Pennsylvania Avenue NW
Washington, D.C. 20580
www.consumer.ftc.gov
1-877-ID-THEFT (877-438-4338)

For more information

You may contact us in writing at TaxAct, attn.: Account Access, 1425 60th Street, Cedar Rapids, IA 52402 or you can call us at 877-276-7335.

On behalf of the entire TaxAct team, we regret any inconvenience this may cause you.

Sincerely,
Chief Operating Officer
Rob Gettemy
[Signature]